



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS SPECIAL TELECONFERENCE
REGULAR SESSION MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
JULY 10, 2014
1:00 p.m.

Directors Present:	Richard Alaimo	Chairman ☎
	Chad Bruner	Director ☎
	Christopher Chianese	State Treas. Designee ☎
	Robert DeAngelo	Director ☎
	Jonathan Gershen	Director ☎
	Joseph Maressa, Jr.	Director
	Eric Martins	Director ☎
	Craig Remington	Director ☎
	Carl Styles	Director ☎
Directors Absent:	Sheila Roberts	Director
In Attendance:	Amy Herbold	Governor's Authorities Unit ☎
	Kevin Castagnola	Executive Director & CEO
	Jay Jones	Dep. Exec. Dir. / Board Secretary
	Raymond Zane, Esq.	Gen. Counsel – Zane & Lozuke
	Hank D'Andrea	Facilities Engineer
	Linda Artlip	Marketing Consultant – PS&AC
	Marlin Peterson	Gloucester County I.A. ☎
	Neil Grossman	Financial Advisor ☎
	Mayor Dana Redd	City of Camden

☎- indicates teleconference
*An attached sign-in list may list
other attendees.*

The Chairman opened the meeting at 1:00 p.m. with the following statement.

Pursuant to the provisions of the Open Public Meetings Act, Chapter 231, Public laws of 1975, adequate notice of this meeting has been provided. On Thursday, July 3, 2014 the Secretary of the Corporation sent a legal notice of the Special Teleconference Meeting, indicating the time, place and agenda to the following newspapers:

- ❑ **Courier-Post**
- ❑ **South Jersey Times**
- ❑ **Burlington County Times**

In addition, the meeting was posted at the Port Corporation's designated the Bulletin Board at its main entrance of the Broadway Terminal, its official place for posting and maintaining a schedule of the monthly Board of Director's Meetings. The special meeting notice was also placed of the Port Corporation's website at www.southjerseyport.com.

Roll call was taken and recorded.

The Chairman requested a motion to adjourn open session and to approve a resolution to open an executive closed session to discuss two matters involving negotiations regarding the Holtec Project Development Agreement and the Camden Waterfront Development/Holt Term Sheet for Broadway Pier 5 and Paulsboro Marine Terminal. These two matters meet the following legal exemptions: "Pending, ongoing or anticipated litigation or contract negotiation, including attorney-client privilege." As such, the minutes will be made available as soon as possible after the matter has been concluded.

A motion was made to adjourn regular session and approve resolution 2014-7-0060 to hold a closed session to conclude contract negotiations for the Holtec Project Development Project and the Camden Waterfront Development/Holt Broadway Pier 5 and Paulsboro Marine Terminal Term Sheet.

Moved by:	C. Remington
Seconded by:	C. Chianese

Voting for motion:	All
Voting against motion:	None

At 1:08 p.m. the regular open session was adjourned.

I certify that this is a true copy of the Minutes of the South Jersey Port Corporation's Special Open Session of the Board of Director's Meeting held Thursday, July 10, 2014.

Jay Jones
Board Secretary

At 1:35 p.m., the regular public session was reopened.

RESOLUTION 2014-7-0058: APPROVAL OF THE HOLTEC PROJECT DEVELOPMENT AGREEMENT FOR PORTIONS OF THE BROADWAY TERMINAL

Staff presented the Holtec Project Development Agreement. The agreement sets a list of due diligence action items and frame work for developing a 50 year lease for approximately 45 acres of the Broadway Terminal for Holtec to create a 600,000 square foot technology, training and manufacturing complex for the energy industry. The project will support 400 jobs. Early today, the NJEDA approved \$260 million in tax incentives to Holtec for this project through the Economic Opportunity Act program. Camden County is also pledging funding to relocate a portion of the Broadway roadway. A lease agreement will be presented to the Board for consideration at a later date.

The Chairman asked if there were any public comments regarding the matter.

Mayor Dana Redd from the City of Camden addressed the Board. She expressed her support for the Board to approve Resolution 2014-14-0058. Early today, she attended the NJEDA meeting to provide support for Holtec's application which was unanimously approved. This project is important to the City of Camden to bring back manufacturing jobs for city residents, as well as jobs for residents throughout the region and to rebuild Camden's economic health. Our collective leadership has addressed public safety and workforce development in the City. The Holtec project sends a strong message that Camden is open for business. The Mayor urged the Board to approve the resolution and thanked the Chairman, Board and staff for the continued partnership in rebuilding Camden's economic vitality.

The Chairman asked if there were any other public comments. Hearing none, he asked for a motion to approve Resolution 2014-7-0058.

A motion was made to adopt resolution 2014-7-2014 to approve the Holtec Project Development Agreement as presented and authorize staff and general counsel to engage in the development of a lease agreement for the Board's consideration.

Moved by:

C. Remington

Seconded by:

J. Maressa, Jr.

Voting for motion:

Chairman R. Alaimo

C. Bruner

C. Chianese

R. DeAngelo

J. Gershen

J. Maressa, Jr.

E. Martins

C. Remington

C. Styles

Voting against motion:

None

RESOLUTION 2014-7-0059: APPROVAL OF THE CAMDEN WATERFRONT DEVELOPMENT/HOLT TERM SHEET FOR BROADWAY PIER 5 AND THE PAULSBORO MARINE TERMINAL

Staff presented a term sheet for Camden Waterfront Development/Holt Logistics term sheet establishing the framework for developing a lease for the relocation for a portion of their operation to the Paulsboro Marine Terminal that will be displaced at Pier 5 Broadway to make way for the Holtec development and an opportunity to be the sole tenant and operator of the Paulsboro Marine Terminal. Camden Waterfront Development (CWD), which is an independently managed affiliate of Holt Logistics, currently leases acreage at the SJPC's Broadway Terminal adjacent to Pier 5 on an exclusive basis from the SJPC. The duration of CWD's Pier 5 leasehold extends for an additional 16 years. The Pier 5 leasehold has, among other components, a deep water (-35') berth, warehouses, reefer plugs, maintenance shop and administration office. A portion of the Pier 5 leasehold will be required for the Holtec Project Development and SJPC has asked CWD to vacate this acreage. CWD is agreeable to vacate the requested portion of the Pier 5 leasehold understanding that comparable facilities will be made available at the Paulsboro Marine Terminal (PMT) and CWD will have the opportunity to be the sole tenant and operator of the PMT. The SJPC and CWD (the parties) desire to enter into a lease and operating agreement whereby the parties expedite the completion of the PMT to a condition that can be marketed, commence business operations and over time construct the balance of the Terminal to meet future shipper requirements. CWD will lease and operate the PMT as long as CWD is compliant with an established set of performance metrics that will be defined within a PMT lease.

Based upon market conditions and the ability to maximize near and long-term terminal operations, job creation and economic development at SJPC's Broadway and Paulsboro Marine Terminals, staff recommends approval of the proposed terms and conditions for a lease and operating agreement between CWD/Holt & SJPC, which are detailed in the Terms and Conditions (Term Sheet) dated July 9, 2014. As part of this action, SJPC staff recommends approval for SJPC staff and legal counsel to work with CWD/Holt staff and legal counsel to create a mutually acceptable Paulsboro Marine Terminal Lease and Operating Agreement based on the term sheet.

The Chairman asked if there were any other public comments. Hearing none, he asked for a motion to approve Resolution 2014-7-0059.

A motion was made to adopt resolution 2014-7-2014 to approve the Holtec Project Development Agreement as presented and authorize staff and general counsel to engage in the development of a lease agreement for the Board's consideration.

Moved by:
Seconded by:

C. Remington
J. Maressa, Jr.

Voting for motion:

Chairman R. Alaimo
C. Chianese
R. DeAngelo
J. Gershen
J. Maressa, Jr.
E. Martins

Voting against motion:
Abstaining:

C. Remington
C. Styles
None
C. Bruner

INFORMATION ITEM

PMT-008M AWARD OF THE MODIFIED PHASE I WHARF PROJECT TO WEEKS MARINE

Recently the GCIA conducted a procurement process for the PMT-008M Modified Phase I Wharf project. The bid was initially advertised May 4, 2014 and a pre-bid meeting and site visit was conducted on May 22, 2014. At the request of contractors, the original bid due date of June 12, 2012 was extended to June 25, 2014. A basic overview of the work consists of constructing a pile supported concrete wharf that is located offshore of the Delaware River bank. The wharf infrastructure is approximately 850 feet long and 125 feet wide. The project also includes construction of a pile supported concrete access apron and pile supported concrete rail trestle. The wharf includes fenders, bollards, ladders and other miscellaneous equipment for the berthing of ocean going vessels.

During the procurement period, fifteen (15) construction companies obtained the Request For Bid. Ultimately, 3 companies submitted bid packages. A tabulation of the bid results is as follows.

No.	Bidder	Total Bid Amount	Amount Above Low	Percentage Above Low
1.	Weeks Marine, Inc.	\$ 46,558,765	n/a	n/a
2.	EIC Associates, Inc.	\$ 55,732,100	\$ 9,173,335	10%
3.	Jay Cashman, Inc.	\$ 75,981,000	\$ 29,422,235	13%
	Engineer's Estimate	\$ 41,075,892	(\$ 5,482,873)	(11.8%)

As indicated in the above bid tabulation, the low bid was submitted by Weeks Marine, Inc. of Cranford, New Jersey. The engineer's estimated project cost was \$41,075,892 which is \$5,482,873 less or nearly 12% lower than the submitted low bid. In response to the submitted bids, the GCIA requested that the design engineer and legal counsel conduct technical and legal reviews respectively of the low bid from Weeks Marine. Following bid clarifications regarding submission of Public Works Contractor Registration and Business Registration Certificates for certain identified subcontractors, the reviews found each of the bids to be compliant. Refer to the attached Bid Selection Memorandum from CH2MHILL's and Bid Review Memorandum from Parker McCay for specific details. A summary of these documents is as follows:

- All required forms were confirmed to be included and signed.
- The extended totals and summations provided on the bid form were determined to be mathematically accurate and the bid values as-stated were found to be generally balanced.

- Addenda 1 through 4 were acknowledged and no conditional bids or other conditions were stated.
- All three bid submissions demonstrated previous project experience comparable to the work proposed in this PMT-008M contract, which included at least one deep-water commercial cargo wharf project within the last 10 years, two additional marine related projects of similar value and schedule within the last 15 years and three freight rail projects within the last 15 years. None of the three bidders submitted specific evidence of batter pile installation experience. In light of this condition, the Construction Management Team will include batter pile installation as a primary discussion topic to any subsequent project specific kick-off meeting. In this fashion, specific details regarding work procedures, quality control measures and equipment provisions are adequately planned and incorporated into the proposed Contractor Work Plans.
- As required in the bid forms, Weeks Marine provided an OCIP credit that totals \$869,738 or approximately 1.87% of the bid total, which is less than the proforma (estimated) average of 2.5 – 3.0% but is comparable to the OCIP credit percentages submitted with the other two bids, which were 1.79% and 2.04%. Our OCIP Administrator, CR Solutions, will continue to review the submitted enrollment form and work with Weeks Marine to ensure that the appropriate credit is obtained.
- Weeks Marine' cost for conducting the PMT-008M Modified Phase I Wharf is approximately 12% higher than the Engineer's Estimate. We believe this condition is the result of project criteria that includes:
 1. All material components must be made in U.S.A. per Buy America USDOT – Tiger III grant agreement compliance requirements;
 2. Pile driving activities may need to be expedited by Contractor to maintain schedule compliance and not be susceptible to liquidated damages as defined in the project's Supplemental Conditions. While the project duration has remained 550 calendar days, a Notice-To-Proceed in late July / early August 2014 provides seven (7) months to complete pile fabrication and subsequent pile driving activities prior to the environmental constraint that runs from March 1 thru June 30. The environmental constraint prohibits in-water work such as pile driving; and
 3. As noted in the attached CH2MHILL review and as noted previously in this memorandum, the expanded Experience Criteria included in the 'Invitation to Bid' appears to have narrowed the field of potential bidders.

Based on the above information, Weeks Marine has provided the lowest responsible bid. No reasons were identified to prevent award of the Paulsboro Marine Terminal (PMT-008M) Modified Phase I Wharf contract to Weeks Marine. The Gloucester County Improvement Authority, under the authority provided in the Support and Development Agreement with SJPC, will be considering the recommendation to award the Wharf contract at their meeting later this month.

The Chairman asked if there were any other business. Hearing none, he asked for a motion to adjourn the regular session meeting.

A motion was made to adjourn the Regular Open Meeting.

Moved by:	J. Maressa, Jr.
Seconded by:	R. DeAngelo

Voting for motion:	All
Voting against motion:	None

At 1:35 p.m. the regular open session was adjourned.

I certify that this is a true copy of the Minutes of the South Jersey Port Corporation's Special Open Session of the Board of Director's Meeting held Thursday, July 10, 2014.

Jay Jones
Board Secretary